



Intellectual Property

SIMPSON GRIERSON 2007

Applying for a Patent in New Zealand

A patent is a monopoly right that provides the patentee with the exclusive use of his/her invention for up to 20 years. It is a valuable business asset that can be bought, sold, transferred or licensed like any other property.

The object of the patent system is to encourage invention and innovation and the growth of new industries. Patents are administered by the Intellectual Property Office of New Zealand ("IPONZ") under the Patents Act 1953.

Why should I Patent my Invention?

There is no legal requirement to patent an invention before it is used. There are however, benefits from gaining patent protection. If an invention is protected by a patent:

- ♦ the owner has exclusive rights to make, use, exercise, license and sell the invention;
- ♦ the owner can take legal action against anyone who tries to use the invention without consent;

- ♦ others will be deterred or discouraged from infringing the intellectual property.

What is Patentable?

A patent may be granted for:

- ♦ a new product;
- ♦ the manufacture of a new product;
- ♦ an improvement to an existing product or process;
- ♦ a new method or process relating to the testing or control of an existing manufacturing process;
- ♦ new chemical compounds or compositions;
- ♦ biotechnological matter;
- ♦ electrical devices and circuits; and
- ♦ computer technology and software.

The scope of patents is large and the above list is by no means exhaustive.

What is the criteria needed to qualify for a Patent?

Not all inventions will qualify for a patent. The invention must meet the following criteria to be patentable. It must:

- ♦ be industrially applicable, i.e. able to be made or used in some kind of industry;
- ♦ contain an inventive element or be 'non-obvious', i.e. your invention cannot be two or more products or processes put together with no new effect;
- ♦ be new or novel, i.e. if your invention has already been used, displayed or otherwise made available in New Zealand or if it has been described in any public document (such as an overseas patent document available in New Zealand, a scientific journal or similar) you will not be able to validly patent it.

Searching Patent Information

Patent documents contain information on the previous innovations and are a critical resource when assessing the originality of an invention.

Before applying for a patent it is advisable to determine whether or not a similar invention has already been developed or published. By checking overseas patents available in New Zealand as well as New Zealand patents, a decision can be made whether to continue with an invention. It can also provide an alert to the possibility that an invention may infringe someone else's patent, should it be used or continued to be developed.

How to obtain a Patent for an Invention

An application is sent to IPONZ with payment of the required fee. The date on which the application is received is important because protection or priority over other applicants will apply from this date.

Before an application is made, it needs to be decided whether the application is to be examined and granted (if patentable) straight away or whether some time is required to work on the development, financing and marketing of the invention.

There are two options available to an applicant in this regard:

- ♦ file a provisional specification; or
- ♦ file a complete specification.

The patent process varies depending on whether the patent specification in the application is provisional or complete. The differences between these two types of applications are detailed below.

Provisional Specification

The majority of applicants decide to delay examination and make a provisional application. A provisional application is considered to be the best way to start the application process.

A provisional or preliminary application:

- ♦ helps to protect an invention from being patented by others;
- ♦ provides a patent number to be used on the manufactured products along with the words "patent pending";
- ♦ allows the invention to be revealed or disclosed to gauge how successful it may be, before proceeding further; and
- ♦ gives extra time to prepare the full application.

A provisional application is only a first step in the process of obtaining a patent. To pursue patent protection a complete specification of the invention will have to be provided within 12 months from the date the provisional application is received. If the complete specification is not filed within the 12 month period, the application will be considered abandoned.

Once the provisional application has been made, the invention may be published or used. The application will remain valid, provided that the publication or use of the invention is confined to the activities disclosed in the provisional application.

Note: a provisional application does not describe the monopoly that is being protected under the patent and is not examined by IPONZ.

Complete Specification

For an application to be examined without delay, it is not necessary to make a provisional application. Instead, an application which includes a complete specification can be filed.

A complete specification is a more detailed description of the invention than is required when making a provisional application. The complete specification should contain enough technical details about how the invention works, so that a competent technician would be able to put it into effect. Detailed drawings of the invention are often required to represent it properly.

The complete specification must end with a "claim" or "claims" that define the scope of the invention. A patent is granted on the basis of these claims and they define the monopoly that is granted. It is important therefore to ensure the claims are worded carefully.

What happens after the Patent application is received?

Provisional Application

After IPONZ receives a provisional application, the applicant is issued a number. This number is unique to the application and can be used to indicate that there is a "patent pending". The title of the invention and the name will be published, but the details of the application will remain confidential.

The application is held until a complete specification is submitted. If

a complete specification is not successful within the 12 months, the application will be deemed abandoned.

Complete Specification

When a complete specification is provided after a provisional application, then the application will be examined. This is to ensure that the application meets all the criteria necessary for obtaining a patent.

After the application has been examined, either an "Examination Report" or a "Notice of Acceptance" is issued by IPONZ.

Examination Report

If an application is not accepted, the Examination Report will outline the reasons why. There may be certain conditions to meet before the application can be accepted. If this happens there is 15 months to either meet these conditions or convince IPONZ that the application is acceptable.

If matters cannot be resolved in this way, an applicant has the right to request a hearing with a Hearings Officer. A fee is required for a hearing.

Notice of Acceptance

If the application is accepted a Notice of Acceptance is issued. This Notice includes details regarding the publication of the patent details in the IPONZ journal.

All patents are made available to the public after they are accepted. Summary details are published in the IPONZ journal so that a person may object to or oppose the granting of a

patent if they believe there is reason to do so. IPONZ will advise if anyone opposes an application.

A patent will be granted if there are no oppositions within three months of publication. IPONZ will issue the "Letters Patent" and the patent is registered.

If, after accepting an application, IPONZ becomes aware of any published material that would prevent the patent from being granted, the patent may still be refused.

What happens if someone opposes the Patent application?

If someone opposes an application, it will not proceed further until the matter is resolved. The party opposing an application has a maximum of four months in which to negotiate a mutually satisfactory settlement with the applicant. If matters can be resolved in this way, formal proceedings can be avoided. However, if matters have not been resolved after three months (extendable to four months upon application), the party opposing an application must start formal proceedings or the opposition will be deemed withdrawn.

Alternatively, the opposing party may initiate formal proceedings immediately. If this happens the applicant is required to make a statement in favour of the application and supply evidence to support their view as to why the patent should be granted. There will be a formal hearing after all the evidence for and against granting the patent has been

received. After considering the issues, the Hearings Officer will release a decision. This decision will either reject or accept the application for a patent. Either party has 28 days in which to appeal the decision to the High Court.

Once formal proceedings have been initiated, there are specific time limits to be met and the issues can be complex. An applicant that fails to meet the requirements can jeopardise the granting of their patent.

Can a Patent be challenged after it has been granted?

Yes. At any time during the 20-year term of the patent, a person may apply to the High Court for "revocation" of a patent. If their reasons are valid, the patent can be revoked.

The Commissioner of Patents may also revoke a patent within 12 months of granting it, should someone make a successful application for its revocation.

The Patentee has the right to defend the granting of their patent if someone applies for a revocation.

How long does a Patent last for?

A patent will last for 20 years from the date IPONZ receives the complete specification, providing the renewal fees are paid. Renewal fees are due at the end of the 4th, 7th, 10th and 13th year of the patent.

Will a Patent protect the invention overseas?

A New Zealand patent will not give you protection overseas. It will only protect

against infringement in New Zealand. To protect an invention overseas, there are two options available:

Application to the Patent Office

Apply directly to the Patent Office in the countries of interest when you file your complete specification. This is often a more cost-effective option if protection is sought in only a few countries.

Application Under the Patent Co-operation Treaty

Make an application under the Patent Co-operation Treaty ("PCT"). This is appropriate if you want to seek a broad international coverage or delay the decision on whether to seek protection overseas. A PCT application can simplify the process of seeking a patent in countries which are party to the PCT. Under the PCT system you can make a single international application to cover as many of the member countries as is desired. There are over 100 member countries covering most developed countries.

Patents granted under the PCT system are not "world-wide patents" – there is no such thing. If patent protection is desired in PCT countries a separate application will still need to be filed and examined by the individual countries selected and will have to meet their requirements. After a PCT application is made, an international search is carried out to determine whether or not the invention is already patented or known. The results of this international search are sent to the applicant. This can help decide whether

or not the applicant should proceed with the overseas applications or not.

Convention Application

Regardless of which option you select, it is often advisable to make the overseas application as a "convention application". A convention application allows the applicant to keep their New Zealand application date in the overseas countries they select. The overseas applications must be made within 12 months of the initial application in New Zealand, and only those countries party to the "International Convention for the Protection of Industrial Property" will consider the application. Similarly, if an applicant has applied for patents in overseas countries in the last 12 months, IPONZ will consider those applications under the Convention.



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